



JUBMES BANKA AD BEOGRAD

UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS

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STATEMENT ON CONTINUOUS SUPPORT

This Statement is an expression of the permanent value and strategic orientation of JUBMES banka a.d. Beograd. Our market position is not defined only by remarkable business results and good financial indicators, but also by positive relation towards principles of corporate social responsibility and sustainable development. Since its establishment in 1979 the Bank has been profiled as highly competitive financial institution, offering wide variety of traditional and innovative banking products and services, tailored to client's (mainly corporate) needs, as well as a socially responsible entity which aims its business targets in correlation with the needs and goals of the social community.

Strategic and value orientation of JUBMES banka towards CSR principles was affirmed in March 2008, upon Bank's joining the UN Global Compact. By taking active participation in all structures of the UN Global Compact Serbia, we intensify addiction to CSR concept, i.e. to the new business model – model of responsible business, based on integral implementation of the ten principles of the Global Compact, related to protection of human and labour rights, environmental protection and anti-corruption combat.

Namely, we are bound by the membership in UN Global Compact to pay observe and implement fundamental CSR principles i.e. to permanently improve our internal rules and corporate practice. Thereby we encourage the dynamic-developmental dimension of the concept of the corporate social responsibility and sustainable development, aiming to establish wider meaning of company's business success, which includes also non-financial indicators (social dimension, environmental protection, anti-corruption combat etc).

Thus, JUBMES banka was motivated for taking more creative participation in realization of the community's economic and developmental goals, which are in conformity with the Republic of Serbia agenda for EU accession, as well as in regional and global projects for the sustainable development support. Strategic transition towards competitive, dynamic economy and society requires social cohesion which is not possible to create without responsible business implementation. On the other hand we are convinced that socially responsible business is a key instrument not only for achievement of the long term business success, but also for the progress of the community.

Our addiction to the Global Compact principles is also confirmed by our active support extended to initiatives and program actions of UN Global Compact national, regional and global networks, promoting principal universal values and modern sustainable development concept.

By this proactive attitude we also pay our contribution to advancement of the corporate policies and practice related to social responsibility, thereby becoming potential partner in implementation of the current corporate sustainability platform promoted by the UN Global Compact.

In the spirit of internationally adopted standards of socially responsible business, the Bank is addicted to promote fundamental principles of CSR, sustainable development and healthy business, through cooperation with employees, local and wider social community, on long term basis. By such strategic agenda, the Bank gave its constructive response to complex global and regional economic processes, generating not only Bank's successful financial market position, but also improvement of the modern business model, which includes implementation of CSR principles. Only implementation of this model can produce affirmation of sustainable development, being coordinated and interactive process, resulting in harmonic relation towards economic, socio-cultural and ecologic targets. There is no sustainable integral development without cooperative action of the public entities, business sector and civil society. Thereby, business entities promoting sustainable development become the key actors in transition process towards the business and social environment characterized by the harmonic relation among economic progress, social balance and high level of environmental protection, with rational natural resources management. This is an important condition for realization of the UN Millennium development goals for the year 2015.

In this way the Bank has taken active participation in implementation of the UN Global Compact's recommendations related to business sector's support of CSR concept, based on creation of long-term values, using company's current and development potentials, with permanent development of the risk management system, accompanying economic, social and ecologic progress. We have affirmed this attitude also by taking active participation in the UN Global Compact Leader's Summit held in September 2013 – Architects for the better world. The platform for the implementation of the corporate sustainability was defined on this occasion. Since business community and society are mutually tied, society's development priorities are harmonized with long term targets of business entities. This shows necessity of long term partnership and horizontal and vertical cooperation of public and private sectors with civil society as a non-governmental sector. Inter-sector dialogue between the business community (corporate and financial sectors), civil society and public sphere is the main instrument for sustainable development concept implementation.

Since social corporate responsibility is both Bank's long term strategic concept and the pillar of our corporate ethics, we are striving to provide its continual and essential development. By promoting corporate sustainability, as our creative response to the modern business challenges, we provide for necessary prerequisites for realization of the new progressive phase in implementation of the socially responsible business principles.

New evolution phase has been initiated in the beginning of 2012 by introduction of the integrated management quality system for standards ISO 9001:2008 – Quality Management System, ISO 27001:2005 – Information Safety Standard and ISO 14001:2004 – Environmental Protection Standard. By adoption of Quality Policy, Safety Information Policy and Environmental Protection Policy we have assured prerequisites for gaining more significant role in financial market and position of a respectable financial organization which follows modern market trends, permanently improving the quality of its services, providing financial information safety, protecting environment, and thereby improves its activities and organization in conformity with requirements of international quality standards. In the beginning of 2013 the certification company from the United Kingdom issued the first supervision report,

showing that all standards have been implemented successfully. Implementation of the integrated management quality system is a dynamic and continual process, permanently improving and evaluating. In 2013, amendments to Standards ISO 27001 for information safety have been introduced as well as professional training of the employees, inevitable for successful implementation of the modern operation standards.

By application of the integrated management quality system in synthesis with GC fundamental principles, we are improving our market position, but still not neglecting ecologic and social aspects of the projects, carried out by our clients in Serbia and abroad. Thereby we affect our corporate clients, carrying out big civil engineering projects in Serbia and abroad, to develop towards socially responsible entities. Corporate clients also adopt the new policy of integrated management quality, based on modern market principles, aiming to satisfy the needs not only of internal and external stakeholders but also of the social community, with permanent improvement of the operational quality and corporate culture.

Thus, we confirm that sustainable development is not only responsibility of a public sphere and civil sector, but also of various subjects from corporate and financial sectors, which tend to harmonize their goals with the goals of the social community. Thus, earning of profit and conducting of socially responsible business do not necessarily have to be confronted processes. On this principle the new business philosophy has been developed and adopted by many companies, which introduce socially responsible business principles in their business operations, thereby in many ways improving working conditions and giving contribution to environment and society in the widest sense. In this way JUBMES banka promotes the values of the Global Compact's platform through partnership with internal and external interested groups, which is also one of the characteristics of the new phase of socially responsible business principles.

Progress in implementation of socially responsible business principles is specially reflected in application of Anti-corruption program, defined after signing of the Anti-corruption Combat Declaration. JUBMES banka is the first Declaration signatory, created by the UN Global Compact Serbia i.e. its Anti-corruption Working Group as well as the first to present the Report on implementation of the 10th principle within UN Global Compact Serbia. Our program and report have been positively appraised by experts on several occasions during the international meetings held in 2012 and 2013 in organization of the UN Global Compact New York and UN Global Compact Serbia. Our Communication on Progress and anti-corruption platform have been appraised as an example of innovative practice among GC members at the occasion of the international meeting dedicated to challenges of reporting on socially responsible business, held in May 2013 and organized by the Serbian Chamber of Commerce (Secretariat of UN Global Compact Serbia). Promotion of healthy business through comprehensive implementation of the Anti-corruption program is a key segment for improvement of the concept of socially responsible business and sustainable development. In this manner we pay our contribution to realization of the National Strategy for Anti-corruption Combat in all fields, as well as to implementation of the Republic of Serbia's agenda for EU accession (chapters 23, 24). Namely, the role of business sector is creating new business model, which promotes healthy business values, requiring zero tolerance against corruption, in all segments of the business and social environment.

In 2013 we have continued with proactively implement all socially responsible business principles, considering them in mutual correlation (not individually), according to the concept of integrated quality management.

When presenting Bank's business profile and results, we give great importance to synthetic link of financial and non-financial indicators and we take responsible attitude when considering all potential risks of jeopardizing human rights and environment, as well as to potential corruption risk management. Therefore, apart from the business reports, we forward to all stakeholders our report on socially responsible business.

We creatively promote implementation of the basic CSR principles through various forms of cooperation with entities from non-profitable sector (non-governmental humanitarian organizations, elite and amateur sport organizations, cultural and health institutions etc.). Regarding our cooperation with non-profitable sector we would like to emphasize our support to activities of the "Child's Hearth" Foundation which we established in 1992 as well as cooperation with the National Association of Parents of Children with Cancer (NURDOR), because we believe that only healthy population can be pillar of the sustainable development. We also support projects focused at development of creativity with children, paying special attention to ecology issues (project of the non-profitable organization "Life Redesign", Beograd etc).

We continued to support employees' education, for the purpose of providing further advancement of their knowledge and skills related to modern banking operations and responsible business principles and safety business culture.

We increased our support to sustainable development concept through development of human relation at socially jeopardized persons, by giving support to various initiatives and projects launched by non-governmental organizations. The Bank gives much significance also to promotion of human rights protection and inclusion of minority and socially jeopardized groups in community. We find this inclusion as one of the preconditions for sustainable development. We have supported the project of daily stay for children disturbed in development in Sečanj municipality, launched by the Center for social work, as well as "Dunav" Paraplegic and Quadriplegic Association, Beograd. We are supporting such institutions and non-profitable associations because we find that inclusive society is the condition for sustainable development in all its segments.

With respect to environment protection we continued to execute our cooperation with the "Uvac" - Special Nature Reserve d.o.o. Nova Varoš and "Beloglavi Sup" (Griffon Vulture) Birds of Prey Protection Fund. We also permanently improve implementation of the ISO 14001/2004 standards, by adopting relevant internal enactments – guidelines for this standard application. In this manner, we are affirming the essence of the sustainable development concept, based on interaction of environmental development and mutual compliance and complementarity of the development policy and environmental policy. Successful natural resources management requires adjusting to regulatory framework and market conditions, paying respect to the investment policy priorities and to employees' education, new technologies introduction and finally – the long term development planning in conformity with the needs of the sustainable development implementation.

Observation of socially responsible business principles is Bank's long term strategic business orientation. Comprehensive implementation of these principles through cooperation with entities from non-profitable sphere is a pillar of our business

philosophy and culture. By taking developmental attitude when implementing the Global Compact's principles and by increasing number of activities focused at principles promotion, we provide the essential prerequisites for establishment of Bank's sustainable competitive position in local and regional financial markets and also enable the Bank to take more efficient and active participation in all phases of the process of integration of the Republic of Serbia in European Union.

Sincerely yours,



Slobodan Janjić, President

"Term corporate social responsibility means company's dedication to give support to economic development sustainability through cooperation with employees, their families, local community and entire society, with aim of raising their life's quality."

World Business Council for Sustainable Development, the year of 2000

IMPLEMENTATION OF THE BASIC UN GLOBAL COMPACT PRINCIPLES IN ACTIVITIES OF JUBMES BANKA A.D. BEOGRAD, WITH RESULTS EVALUATION AND PROPOSITION FOR FURTHER ACTIVITIES

I Introductory remarks

European integration process as well as global economic crisis effects request serious approach to structural reforms in all parts of the economy, as well as creation of the new business environment, favourable to sustainable development.

Socially responsible business (SRB) conducted by companies has been understood nowadays as sustainable business, which is essentially integrated with the social community. It is produced by business philosophy which recognizes social, cultural and ecological consequences resulting from certain business practice and is related to company's activities focused at social welfare, not being company's legal obligation, but its expression of business ethics and values system. Business environment created in this way supports sustainable development, not produced only by legislation and institutional changes in transition countries, but by implementation of a new responsible and healthy business model.

As an active member of the UN Global Compact, we have the duty to improve our relation to this concept, taking strategic orientation towards sustainable development and creation of new value through innovations, partnerships, having social and ecologic dimension. In nowadays international business community, corporate success can be observed and valued only in relation with social development. International initiatives and frameworks for CSR promotion point out benefits coming out of CSR principles. Companies are getting more aware of the positive economic value created by CSR and also of their positive influence at society and environment. Thereby, implementation of CSR principles generates improvement of the business environment. Only sustainable company is decisive to create values on long term basis, using its current and developmental potentials and risk management accompanying economic, social and ecologic development. In this context, the management has duty to create adequate company's organization that would meet the sustainability targets and tasks.

Having in mind the aforesaid, companies which promote the integrated CSR system become creators of new strategies for competitive advantages mainly by implementation of CSR principles and its practice – social sustainability. In this way new chances for gaining profit are opened, as a result of orientation towards current community needs and methodology for development of CSR principles and practice.

Business entities from financial and corporative spheres are significantly responsible for activities of importance for the community. Striving to meet the needs of the community, business entities implement various corporate social initiatives. In order to use multiple advantages of their consistency in socially responsible behaviour in the most efficient way, companies have to promote their ideas and show care for problems in community and to carry out concrete activities for their resolving. It is very important that companies present their commitment to the activities of wider social interest in the most transparent manner.

In this 5th Communication of Progress, in conformity with our strategic orientation towards CSR values, we shall point out Bank's activities related to respect of human rights and labour standards, protection of environment and anti-corruption combat. By aiming our focus at this domain we tend to affirm both - strategic and practical aspects of our positive attitude toward socially responsible business concept which is based on the following principles: paying respect to legal duties, diminishing negative effects of business on the society and risk management in case of human rights violation, endangering environment etc. as well as realization of positive effects in business conducting, by creating new values resulting from implementation of GC principles and addiction to social development issues.

Hereby we are presenting all engagements of JUBMES banka in the field of CSR being in synergy with integrated management system. We are determined to integrate CSR principles in all business aspects i.e. organization, strategy and financial performance with permanent progress in realization of the strategic management concept. This reflects the advanced phase of promotion of SRB principles incorporated into the new strategic management concept. In the following segment, we are pointing out the essential elements and targets of the integrated quality management system:

We are showing our long term addiction to observe fundamental quality management principles, information safety and environmental protection by implementation of integrated quality management system for three ISO Standards (ISO 9001:2008, ISO 27001:2005 and 14001:2004). By paying respect to the integrated management system for these three standards, the Bank has posed several targets:

- To maintain high quality of products and services in order to fulfil all current clients' expectations and foster Bank's deposit base;
- To continually manage information and IT property and to provide necessary confidentiality, inviolability and disposability – the Bank pays special attention to assure secrecy of clients' data and property;
- To take special care of: business impact on the environment, savings of energy and resources, waste management and measuring and monitoring impact on the environment.

In February 2013 the first supervision of the three standards was completed. Upon checking made in conformity with the plan and program, the system was positively appraised, as well as the advance made in implementation. At the end of September 2013 ISO Standard 27001 related to information safety, was amended. The Bank permanently strives to be well positioned and for this purpose it constantly improves the information management and IT property policy, which is necessary for the quality level of offered products and services. Thus, the Bank gives contribution to affirmation of SRB principles and realization of the sustainable development concept. In this way the Bank maintains the position of a referent entity in local financial sector, which contributes to promotion of all pillars of sustainable development, by permanent improvement of its services quality and financial information safety as well as by paying respect to ecologic standards.

In 2013 JUBMES banka adopted Corporate Management Code, which contains rules and principles determining the basis of Bank's good business practice, being an open shareholder's company. It establishes organizational principles as the directives for Bank's managing bodies. This document tends to establish high standards related to corporate management, with the purpose of strengthening shareholders and investors confidence in JUBMES banka. This is a precondition for Bank's long term, sustainable and stable development and for further confirmation of Bank's reputation of a successful business financial institution.

We take active attitude towards the new advanced phase of corporate social responsibility and long term sustainable development concept, in conformity with the new integrated management system, by improving the inter-sector cooperation i.e. cooperation with internal and external interest groups, according to the Global Compact network principles.

By improving activities within UN Global Compact Serbia, the Bank contributes in a progressive manner to exchange of good practice and ideas, inter sector dialogue, linking the various business entities and institutions dedicated to sustainable development.

In the last year we confirmed of our active position among local leaders which promote GC principles and transparent attitude in presentation of activities related to CSR, by our participation in several meetings organized by the Global Compact network. Under recommendation of the Working Group for anti-corruption combat (UN Global Compact Serbia) in May 2013 we took participation in the meeting dedicated to challenges of reporting on socially responsible business, organized by the Serbian Chamber of Commerce as the sole representative of the financial sector within UN Global Compact members. Of great importance is participation of the President of Bank's Executive Board at the Leader's Summit: Architects of the Better World" organized by UN Global Compact, held September 19-20, 2013 in New York. Leader's Summit was designed to be the leading international meeting related to social responsibility in public sphere, business and non-governmental sector, with aim to "create new global architecture for realization of sustainable development in corporate sphere". In the Summit all aspects of the global development agenda were concretized in the context of realization of the three pillars of sustainable development (economic, social and ecologic) through necessary trans-sector dialogue and partnership on all levels.

Our engagement is also dedicated to affirmation of the new progressive phase in implementation of the UN Global Compact principles, making us the recognizable and appreciated partner in realization of international, global and regional initiatives and frameworks for development of CSR principles and sustainable development and also to participating in activities promoting goals of European integration process and new EU strategy 2011-2014 for corporate social responsibility, aimed to harmonize global and European attitudes towards SRB, strengthening its transparency and spreading SRB practice.

The Bank took participation in preparation of the Study on contribution of banking sector to development of Serbian economy and community, launched by Serbian Association of Banks – Working group for bank responsible business. The Association has conferred the realization of the Study to A.T. Kearney, Budapest consultants. Exploration has included operation of 21 banks in Serbia and the Study was presented in December 2013. Its conclusion was that banks in Serbia were highly responsible institutions, having in mind activities related to SRB principles i.e. to integral application of the principles on both internal and external level.



ISO standards logos:

ISO 9001:2008 Quality Management System

ISO 27001:2005 Information Safety Standard

ISO 14001:2004 Environment Protection Standard

II Implementation of UN Global Compact Principles

Human Rights

“You cannot think in the 21st century about sustainable development without thinking about human rights”

Craig Mokhiber, representative of the UN Committee for human rights said these words in occasion of panel discussion held on April 27, 2012 in New York, in relation with human rights, within preparations of the Rio+20 conference on sustainable development (June 2012)

a) Global Compact Principle I:

Companies should support and respect protection of internationally proclaimed human rights

1. Development based on human rights is a new development concept, established in the nineties, upon introduction of the right to development within the corpus of universal human rights. In normative sense this concept is based on and focused in practice at development of all public sector capacities, business sector and civil society for implementation of human rights guaranteed by the international law. UN system with the majority of international organizations, both universal and regional, adopted such concept as a response to many development challenges.

Universal implementation lies in the foundation of the human rights concept. Human rights belong to people by simple fact of their existence - they were not honoured. Enjoying human rights is a *presumptio* for living life of dignity. Regardless the difference, the idea of human dignity belonging to all men is a part of the set of human rights. Universality includes human rights for everyone and equal rights for all human beings. Apart from universality the main characteristics of human rights are inalienability, inseparability, interdependence. Since those rights belong to all mankind equally, principle of equality i.e. of non-discrimination is the essential principle of the modern law governing human rights. Equality principle is based on discrimination prevention.

Human rights are inseparable, whether they are civil, politic, economic, social or cultural rights. The man can live in dignity only if enjoying all these rights. That is possible only in society based on solidarity, respect and protection of human rights. Human rights are legally guaranteed i.e. international and national legal regulations protect individuals and groups of people against the actions jeopardizing human dignity and essential freedoms.

Civil and politic rights which are incorporated in documents from the end of XVIII and beginning of XIX century are titled the first generation of human rights. Economic, social and cultural rights are included in the second generation. The first generation is mainly based on freedom principle, while the second generation is based on principles of equality, solidarity, right to labour and employment and right to justifiable wages, right to just and favourable conditions at work, right to protection in workplace, freedom of association and taking participation in unions, right of social justice and social insurance etc. Third generation has developed after the Second World War, as a response to technical progress jeopardizing environment and as a result of civil consciousness and responsibility growing. Right to development, right to healthy environment, right to cultural heritage protection, minorities' rights etc.

Human rights must lie in the middle of sustainable development concept. Principle characteristics of this development are the following: sustainable development must encourage development of inalienable human rights and reign of law, elimination of all discrimination forms, environmental protection and observation of cultural differences. Sustainable development includes all human rights – economic, social, cultural, civil and politic, assuming their integrative implementation. By putting an individual in centre of developmental activity and by proclaiming integral vision of all human rights, Universal

Declaration of Human Rights became a legal instrument for realization of inseparability and complementarity of various categories of human rights as well as for recognition of human rights protection as a developmental basis.

Although it is based in corpus of human rights which are internationally appraised, right to sustainable development requires support from various entities.

UN member states are legally obliged to respect and to protect and implement human rights in practice. This includes human rights protection against violations committed by public and business entities. This duty is governed by the Convention on elimination of discrimination against women and Convention on elimination of racial discrimination. A state legally bounded to protect human rights has the duty to prosecute companies violating human rights. On Rio+20 Corporate Sustainability Forum, held in June 2012 and Leader's Summit held in September 2013, integral approach in promotion and protection of human rights was promoted, especially in the corporate sphere. Every corporate policy has to support basic human rights principles and to integrally implement them during operating in order to properly meet integral development requests.

Right to development i.e. sustainable development encourages business entities to give their creative contributions to its implementation, by developing their mechanisms for maintaining ethical business process, which promotes CSR principles related to human rights protection.

2. For JUBMES banka special significance have guidelines adopted on UN Global Compact Leader's Summit held in September 2013, which emphasized integral attitude at promotion and protection of human rights, particularly in the corporative sphere.

In conformity with its strategic orientations, JUBMES banka continues to provide permanent education to its employees, through presentation on various forms of SRB, including protection of human rights and freedoms. Special attention is paid to issues of gender equality and inclusion of disabled persons on all levels community's social life.

Furthermore special attention is conferred to protection of the endangered cultural heritage and its relation with sustainable development.

With aim of gaining knowledge and exchange of practice within CSR, employees of JUBMES banka responsible for affirmation of this concept since 2013 have been taking participation in courses organized by recognized referent institutions.

New model of responsible business which pays respect to human rights principles requires certain management i.e. optimal management of the risks in social (including risks jeopardizing human rights) and ecological sphere.

In conformity with adopted policies of quality, information safety and environment protection and standards, the Bank has also adopted adequate rules and guidelines for permanent improvement of integrated management, which includes social responsible business.

In this respect, we would like only to mention that JUBMES banka continued to develop systems for support of human rights protection, especially system for protection of health and safety of employees, through regular trainings in the domain of protection of health at work and fire protection, as well as through knowledge evaluation. The Bank also develops its internal enactments on risk appraisal at working points and in working environment. For this purpose the Bank provided assistance from a company specialized in protection of health and safety at work and environment protection. The Bank applies the By Law on rights, obligations and responsibilities in the field of safety and health at work. The Bank regularly evaluates and up-dates its By-Law on rights, obligations and responsibilities related to health and safety at work. It sets working conditions standards aimed at diminishing risk of injury and professional illness and diseases at work and establishes technical, ergonomic, health, educational,

social, organizational and other measures and means for prevention or elimination of the risk of injury and employee's health damage.

JUBMES banka has also provided the free systematic medical examination and medical experts service under preferable conditions for all Bank's employees and their family members. Having in mind the importance of economic and social rights protection, in conformity with its financial potentials the Bank takes care of retired employees, as well as of employees' and their family members' needs, especially in case of their illnesses or some other irregular events.

One of the more important segments of the socially responsible business is the human resources management policy. In conformity with Bank's business and development orientation, we continued to improve our employment policy and to encourage permanent education of employees, which help achievement of the strategic goals in conformity with the Rules for education and professional improvement of Bank's employees.

While integrally implementing CSR concept and GC principles, JUBMES banka is not neglecting significance of education, being a development determinant. In this sense our policy for human resources management is prepared.

Together with regular evaluation of employees' working results in conformity with modern standards and strategy for human resources management, the Bank continued to improve employees' qualification structure, by employing young, highly educated persons, capable to apply new skills and offer innovative solutions in banking operations. The Bank continued with enabling the employees to attend various types of post graduate studies and courses related to modern banking operations, including participation in local and international financial meetings and forums dedicated to banking products and services development issues. Employees attended the course related to trade finance business (organized by KBC Banker's School), international seminar related to payment operations in EU countries ("Payments in Banking"). They improved knowledge related to SEPA payment system for corporative clients, innovative technology and mobile banking, FATCA project related to USA tax authorities reporting, loyal customers system etc. Special attention was dedicated to education of IT experts specialized for e-banking and IT safety. JUBMES banka constantly develops its information system, being the only way for following introduction of new products and services on financial market.

JUBMES banka adopted strategy for IT development in conformity with adopted ISO standards, including implementation of new system and communication platforms for support to banking operations and processes, monitoring and development of new technologies and knowledge, training and permanent professional advance of employees. In 2013 Bank's employees attended the seminar organized by Microsoft-Sinergy.

By human resources management policy, employees are encouraged to take additional trainings and professional education and skills related to prevention of money laundering and terrorism financing, anti-corruption combat. The purpose of the policy is raising consciousness on importance of introduction of ethic principle in business operations, which requires zero tolerance towards violation of guaranteed economic, social, civil and other rights in Bank's business operations. With this aim, Bank's representative took participation in a seminar dedicated to corporate anti-corruption, organized by Serbian Chamber of Commerce and Industry, Ministry of Justice and Public Administration with technical assistance rendered by EU.

3. In 2013 the Bank continued to support the protection of cultural heritage, being a determinant of national cultural identity and an important segment of sustainable development (preservation of cultural diversities). The culture is a primary determinant in identity formation, making us unique and at the same time open for dialogue.

Cultural aspect of integration process is directly connected to the issue of identity and its dynamic and dialectical category. Accepting this concept does not imply denial of heterogenic structure of national

cultural identity. There are two main processes important for creation of national culture: a creative one – creation of various values characterizing its individuality and a defensive one – when a national culture is defending itself against penetration of external values or when it is exposed to assimilation risk. These two processes affect stabilization of national individuality and enable communication with other cultures i.e. with other communities' value systems, thereby enriching the related national culture and its identity. On the other hand, European integration process supports cultural diversity development as well as preservation of common cultural heritage i.e. common values within European cultural space.

The Bank believes that protection and development of the cultural heritage is a significant pre-condition for preservation and promotion of the national cultural identity i.e. national culture open for dialogue and interaction with other cultures, being at the same time an integral part of the European common cultural heritage.

The Bank carries on supporting "Ćirilica" citizen's association, dedicated to prevention of ćirilica – an authentic Serbian (Cyrillic) alphabet, which has been in use for ten centuries.

It is our great pleasure to point out that the Bank supported Andrić Institute, Višegrad (Srpska Republic, Bosnia and Herzegovina), and its director Mr Emir Kusturica, respected film director and writer. The Institute has the name of Ivo Andrić, the Nobel Prize winner for literature (1961) for the novel "Na Drini Čuprija" ("The Bridge on the Drina"). The Institute was founded in 2012 by the Government of the Srpska Republic and the Government of the Republic of Serbia. After the creative idea of Mr Kusturica, the town of Andrićgrad and the Institute were built in renaissance style. The Institute will have various scientific departments, its own production and will become the new centre of Serbian culture, science and art. The Institute will pay respect to cultural diversity and open dialogue among artists, scientists, researchers on all issues from the domain of contemporary culture and development.

In the course of the last year the Bank continued to develop cooperation with representatives of Serbian community in Australia and to support the final phase of construction of "St Sava" Serbian Orthodox Church College in Sydney, which will be the first Serbian official educational institution in Australia and the first such institution abroad.

In 2013 the Bank also supported the Celebration of 1700 years since of Edict of Milan, which was adopted by Constantine the Great, the Roman emperor, born in Naisus (today: city of Niš, Republic of Serbia). "Edict of Milan 313-2013 Serbia" project is significant in both international and national sense, emphasizing significant influence of the Roman heritage in the area of today's Serbia and concluding that all European nations belong to the Christian civilization.

4. The Bank pays special attention to support and rights protection of displaced persons and refugees from Autonomous Province of Kosovo and Metochia.

As a permanent donor, JUBMES banka continued to support various activities of "Naša Srbija" ("Our Serbia") humanitarian organization. Principal mission of this organization is to enable improvement of living conditions and education, social and health protection of children suffering loss of one or both parents in wars during last decade of the previous century, ill children, of children coming from socially endangered families, as well as of gifted children and youth – by providing material and psycho-social support.

The Bank has also supported activities of Association of families of killed and kidnapped people from Kosovo and Metochia and preparation and issue of Association's magazine "Kosovo victims" (22 issues published up to present). Association was established in 1998 and registered in 2003. It is very active in dealing with this huge humanitarian problem, through cooperation with non-governmental and government's organizations. The Association also deals with protection of material heritage of Serbian people in Kosovo and Metochia, for example with the issue of destruction of medieval Serbian churches and monasteries in Kosovo and possibility for their reconstruction in conformity with the relevant

international conventions. Since 1998 up to date in Kosovo and Metochia 155 churches and monasteries were destroyed or seriously damaged. These monuments are important part of Serbian cultural heritage and determinant of Serbian national identity, being at the same time the significant source of European common cultural heritage.

b) Global Compact Principle II:

***Companies should make sure that they
are not complicit in human rights abuses***

Each pillar of the institutional and normative framework of human rights protection is a necessary component of the dynamic system of preventive and corrective measures. As we have already pointed out, every state has a duty to provide human rights protection as the essence of the international human rights standards, while the company's duty is to observe human rights, since the community expects this from companies, as well as the access to legal means of protection. Responsible business and sustainable development values may be affirmed only after necessary normative conditions are created for human rights improvement in all spheres of the society, including the business sphere. SRB includes also the preventive action aimed at prevention of the human rights violation. By taking preventive actions related to human rights protection, companies become important factors which create healthy business climate and encourage competition among socially responsible entities which pay respect to social and ethical dimension.

The Bank, being a socially responsible entity, apart from projects' economic parameters, considers their impact to social environment. We encourage dialogue with corporate clients, carrying out complex infrastructural projects having influence on society and environment. Thus we create preconditions for prevention of human rights violation, by encouraging adoption of new value orientation by corporate clients carrying out such projects. Particular attention is paid to appraising projects' social components as well as to social and cultural characteristics of the project's environment and prevention of violation of guaranteed rights and freedoms in conformity with the current Serbian legal regulations and ratified international legal documents.

Through cooperation and promotion of conducting good business practice, the Bank encourages its clients - exporters engaged especially in hydro-power and hydro-energy projects, to create conditions for prevention of human rights violation. Special attention is paid to conditions provided to locally engaged workers in the country where the project is executed (healthy and safe working conditions, labour rights protection, prohibition of any form of child labour and discrimination etc.). In this way, through cooperation with our clients we give our active contribution to sustainable development in regions of our business exposure.

The Bank continued to support various projects, which affirm healthy society, human rights, solidarity, disabled persons inclusion in society, sport spirit etc. Only by such approach we can be active on prevention of human rights abuse in business and public spheres. Normative framework and new values of sustainable development should create conditions for human rights development and prevent their violation

Having in mind these values, the Bank supported project of Life Redesign Association, Belgrade, non-profitable organisation established in October 2013 with aim of giving impetus to arts development, especially with children (5-15 years of age). The association promotes ecological attitude towards art, through workshops enabling children to create works of art made of recycled materials. Creativity is principal element to encourage children's development.



„Life Redesign“ Association, Beograd

In 2013 the Bank continued to support inclusive society projects, which affirm healthy inclusion of disabled persons in society. Only by such approach we can emphasize importance of inclusion of disabled person in social and labour environment, which is also pointed out by the National strategy for sustainable development.

In conformity with this orientation, we have supported the project of daily stay for children disturbed in development in Sečanj municipality. General aim of this project is rendering services to the most vulnerable categories of population in Sečanj municipality. Special target is achieving improvement in children disturbed in development, through various educational programs and trainings, aimed at their inclusion in the local community. Thereby conditions are created for social inclusion of disabled children in community with the other children and neighbours, through rendering positive and constructive experience, while staying away from their families. As an additional advantage, children's parents get acquainted with the rights of disabled persons and with the inclusion process of children into society. Daily stay service shall help improvement of the children's life quality and enable their parents to exchange positive experiences.

In 2013 the Bank also supported activities of the Paralympic Committee of Serbia and preparations for 2014 Winter Paralympic Games. Paralympic Committee of Serbia is the member of International Paralympic Committee (IPC) which, as its primary mission, supports realization of program activities related to the sport of disabled persons. We believe that by supporting development of paralympic movement, we shall contribute to the elimination of all forms of discrimination and isolation of disabled persons from the community activities.

The Bank has also supported the “Dunav” Paraplegic and Quadriplegic Association, Beograd. The association was established in 1998 as a social and humanitarian organization of disabled persons, with aim to improve the life conditions of its members. It has over 20 members, mostly active within art workshops and sport sections.



„Dunav“ Paraplegic and Quadriplegic Association – Art Workshop

JUBMES banka in a long term period gives its contribution to elite sport organizations, which achieve significant sport results in both local and international contests. In 2013 we supported Red Star basketball club, one of the leading basketball clubs in Serbia. Since its establishment in 1945, Red Star won 15 championships, 6 national Cups and the European Cup Winners Cup and many of its sportsmen and sportswomen won Olympic medals and medals at the world and European contests. Thereby the Bank encourages sport propagation, sporting competitive spirit, healthy life, especially among young persons who should focus at affirmation values of the healthy, open and inclusive society, liberated from stereotypes and preconceptions.

The Bank gives importance to the amateur sport support, as one of the significant factors for improvement of the nation's health in general. For this reason in 2013 we continued to financially support "Ekonomac" the small-football club from Kragujevac and preparations of its team for competing in the first small-football league of Serbia as well as to University, Kragujevac for development of sporting activities.

The Bank has been active in giving support to health institutions and humanitarian organizations taking care of children's health, since sustainable growth goals can be achieved only with healthy population.

By implementation of the UN Global Compact second principle the Bank helps creation of the inclusive society i.e. society of inclusive cohesion which requires the corporative sector to promote human rights and freedoms and prevent their violation. Thereby, the corporative sector should assist creation of the democratic open society new values, contributing to social and cultural development of the community.

In 2013 the Bank has continued to support "Child's Heart" Humanitarian Foundation, which stands among earliest foundations of its kind. It was established on December 16, 1992 on initiative of the Paediatric Cardiothoracic Team of »Dr Vukan Čupić« Mother and Child Health Care Institute of the Republic of Serbia. Thereby we have expressed our addiction for development of long-term partnership with institutions of the non-profitable sector. During twenty years the Foundation confirmed its mission and aims through permanent activities focused at raising funds and giving support to create better conditions for surgical treatment, rehabilitation and social inclusion of the youngest patients suffering indigenous heart defects as well as to assist children's parents. The Foundation provided the procurement of necessary medical equipment/devices, assured education of medical experts and

personnel in the field of children cardiothoracic surgery and was active under various programs for prevention and medical researches of indigenous heart defects with children etc. Owing to Foundation's activities funds were raised for procurement of various devices and equipment such as: monitors for invasive monitoring of the vital functions, respirators for ventilation support, cardiovascular supersonic diagnostics equipment, blood saving device etc. which are necessary to enable the Paediatric Cardiothoracic Team to perform the much needed surgical interventions. In 2013 the Bank assisted in organization of the scientific meeting "Congenital Megacolon: Yesterday, Today, Tomorrow – Our Experience" held in »Dr Vukan Čupić« Institute.



„Dr Vukan Čupić“ Institute – Children Cardiothoracic Department

Furthermore, we extended aid to the Serbian Association of parents of children with cancer (NURDOR). Association's mission is to provide the best possible treatment conditions to every child suffering from cancer, as well as psycho-social support to parents and whole family during the child's medical treatment. One of more important projects is the construction and equipping of the parent's house in Belgrade, for children suffering from cancer and their families from Serbia.

JUBMES banka has been permanently supporting individual actions for rendering assistance to medical treatment to children suffering from serious illnesses.

All these activities enable better protection of children population in Republic of Serbia, especially under the economic crisis conditions, with issues of safe and sustainable financing of health sector still not resolved.

Considering the undertaken activities related to the second GC principle, we can state that progress has been obviously made and that solid framework for prevention of various forms of human rights violation has been created.

Labour Standards

Observation of international labour standards and constant progress in their implementation is very important component of the socially responsible business.

In order to realize this component, employees have to know more about importance of observation and protection of economic and social rights, especially rights related to employment policy, labour and labour relationship and their importance for democratic and sustainable social development. These are significant prerequisites for creating social cohesion society. Trilateral social dialogue is an important

framework which defines orientation for development and realization of social and economic rights, based in internal and international legal documents.

With respect to the current EU accession process of the Republic of Serbia, we would emphasize that EU integrations support society of pluralism, tolerance, justice, solidarity and non-discrimination i.e. sustainable development. Since sustainable development is based on the balance established between economic development, social-market economy, high competitiveness, full degree of employment and social progress, it is necessary to foster capacities for social cohesion realization. Social cohesion is in function of economic growth, and development of social responsibility with business entities is the principal instrument enabling social stability and development.

Integration of social dimension within economy is the condition for implementation of sustainable development. It is significant to establish correlation between economic and social policy, which would enable equal dispersion of positive effects of economic integration processes to various social categories. This process' positive effects are: strong social cohesion and economic/social prosperity.

Fundamental point of social cohesion realization is observation of dignity of labour. By pointing out its significance we help the social and economic rights improvement. We permanently emphasize the importance of the zero balance between economic and social requirements, successful business results and social responsibility.

New European policy on company's social responsibility published by European Commission in 2011, underlines greater company's responsibility against social challenges. It draws attention to the importance of observation of national legal regulations and collective bargains among social partners, which is a condition for company's social responsibility. For the purpose of full implementation of CSR principles related to labour standards, better transparency needs to be reached in realization of national social dialogue including strong and independent organizations of workers and employers. Social dialogue and collective bargaining, being in the dialogue's centre, help social cohesion and democracy, i.e. realization of a development model based on economic and social sustainability.

For realization of sustainable development's second pillar – the social cohesion, new jobs creation and unemployment rate decreasing needs to be achieved, as well as diminishing gender social inequality of marginalized groups and encouraging new jobs creation for the young and disabled persons and other risky groups.

Once the labour rights are guaranteed, the following GC principles will be guaranteed too:

c) Global Compact Principle III:

Companies should uphold the freedom of association and the effective recognition of the right to collective bargaining

Freedom of association and the basic employees'/employers' rights, establish the foundation for the labour relations development.

Progress in social dialogue is one of the key elements in the European social policy. Social dialogue includes collective bargaining and signing agreements between social partners. European social model is a permanent task of unions. Social partners need to achieve saturation of economic dynamic and social balance. Social balance means that social partners have to equally participate in mutually achieved business results and it requires paying respect to labour law and standards.

Freedom of syndicate organization can be achieved only in a democratic system which provides observation of fundamental human rights. In the process of syndicate bargaining new ideas can emerge, aimed at improvement of legal and contractual solutions related to labour law.

JUBMES banka has always fully recognized the freedom of association and the right to collective bargaining. Constitutional and legal regulations related to freedom of association are also being observed. Union acts as an independent, autonomous and voluntary organization of all employees, responsible for their representation and protection of their professional, labour, economic and other rights. Thus, all Bank's employees are free to decide whether they would join the Bank's Union. This Union is incorporated in the Union of Financial Organizations of Serbia, which holds the representative status within the plural syndicate structure in Serbia. President of Bank's Union is also a member of the Board of the Union of Financial Organizations of Serbia. Bank's union members regularly take participation in various activities of the Union of Financial Organizations of Serbia, including attending seminars related to labour standards, syndicate organization issues, collective bargaining etc.

As in previous years, in 2013 the Union of Financial Organizations of Serbia was focused at enlarging the number of its members and at encouraging establishment of banks' unions.

In 2013 Bank's Union has supported the activities of the Union of Financial Organizations of Serbia related to many social and labour issues which follow the changes occurring in the banking/financial system of Serbia. Traditionally, the Bank's Union shows its solidarity with the Union members needing aid (for example for medical treatment), regularly provides free systematic medical examination for employees as well as free theatre tickets, organizes free visits to cultural institutions as well as excursions etc. Positive labour environment and addiction to institution give impetus to every employee and help the Bank to establish the position of a stable, respected financial institution, which pays attention to corporate ethics and respects labour and social rights.

Bank's Union traditionally provides aid to disabled children and socially jeopardized persons. In 2013 we supported action of old clothes and books collection for disabled children launched by the Centre for social work in Sečanj in Autonomous Province of Vojvodina. Almost all Bank's employees took participation in this action. The collected clothes and books were shipped to the Centre and children.

The Bank's Union participates in preparation of the Collective Bargaining Agreement, regulating the rights, obligations and responsibilities arising from the labour relations as well as mutual relations of the Collective Agreement parties.

During the negotiations with Bank's Managing Team, the Union representatives present their proposals and suggestions. The Union performs transparent operations and enables active contribution of each member through presenting suggestions, initiatives etc.

d) Global Compact Principle IV:
Elimination of all forms of forced and compulsory labour

Global Compact Principle V:
Effective abolition of child's labour

These Global Compact principles are "conditio sine qua non" for the ethical business conducting, which prohibits any form of compulsory labour and especially child's labour.

Freedom of labour is one of fundamental freedoms of people and workers, laying thereby in the foundation of labour law and having importance equal to constitutional principles. It includes a freedom of choosing certain kind of work and employer as well as freedom of labour during the period of labour relationship.

Compulsory labour is unacceptable from both moral and legal aspects, opposite to the principle of freedom of labour, which is one of the fundamental labour law principles.

Compulsory labour is prohibited by Serbian and international legal regulations (ILO Conventions No 29 and 105). ILO (International Labour Organization) has the highest significance for the combat against compulsory labour, mostly due to the fact that ILO is international organization, engaging all member states in resolving this problem. Concrete goals and plans are established by the program: "Special action combat to forced labour", which should eliminate compulsory labour until the year 2015.

Having in mind this goal, ILO strongly supports all activities and initiatives in the sphere of companies' socially responsible business which are focused at respect of labour rights and elimination of compulsory labour.

By implementation of these principles, business entities directly affect the society, in the economic aspect as well as in the social and ethical aspects. By elimination of all forms of forced and compulsory labour, by abolition of child's labour and by promotion of policies exceeding the national and international standards, SRB principles become permanent orientation of the business sector. Business sector implements the principals in dynamic manner, with the tendency of continuous improvement.

Fundamental precondition for effective realization of labour rights and dignity at work is elimination of compulsory labour and abolition of child's labour. Child's labour results in child's damage, abuse and exploitation and prevents its education and development.

By paying respect to the legal regulations in force and internal enactments which implement the mentioned Global Compact principles, JUBMES banka confirms its attitude, for the promotion of the responsible business values.

With this aim the Bank's employees are being regularly informed on the ratified international legal documents in concern with compulsory labour and child's labour prevention. Through the synergy established between compliance activity and SRB principles the Bank has intensified its activities and strengthened its position towards internal and external interest groups, especially towards our clients.

In this way, the corporative management model is being supported, which includes the responsible attitude and cooperation established among the wide range of social partners and civil society, which should help affirmation of international standards for child's labour abolition (Declaration on Child Rights of 1959, ILO Convention No 182 of 1996 – in force since 2000 etc.) and prohibition of various forms of forced and compulsory labour and slavery (Universal Declaration on Human Rights, EU Convention for the protection of human rights and fundamental freedoms etc.).

e) Global Compact Principle VI:

Elimination of discrimination in respect of employment and occupation

Discrimination is an act by which a person is unfairly disadvantaged compared to others. The causes of discrimination are usually negative prejudices, existing in a society towards the certain social groups, which are manifested against individuals belonging to such a group.

Responsible behaviour at employment includes prevention of minorities discrimination, older employees, women, people unemployed in longer period, disabled persons and others should help combat against social exclusion and mitigation of unemployment. Constitution of the Republic of Serbia prohibits any kind of discrimination of the persons seeking employment whether direct or indirect, in concern with the gender, race, social origin, age, religion, political or other beliefs, material situation, culture, language, disability etc.

Concrete legal regulations are governing this matter in details. We have the opportunity to point out hereby only some of them: The Law on labour, Law on prevention of discrimination, the Law on prevention of discrimination against persons with disabilities, the Law on prevention of rights and freedoms of national minorities etc.

By observing legal regulations in force and its enactments, JUBMES banka permanently implements this Principle in practice. Direct or indirect discrimination of the persons seeking employment is prohibited, in concern with the gender, race, skin colour, age, health condition i.e. disability, nationality, religion, matrimonial status, political or other beliefs, social origin etc. Discrimination is also prohibited in respect of the employment conditions and candidate selection, working conditions and all rights arising from the labour relationship, education, professional training etc. Regulations of the labour contract allowing discrimination under any of such basis shall be considered as null and void.

By taking pro-active attitude, we encourage our clients to promote this principle especially when they carry out complex works abroad including employment of local workers.

JUBMES banka is affirming its positive relation to employment of disabled persons and takes participation in actions supporting their employment in various sectors.

Republic of Serbia has adopted a number of regulations governing equal participation of persons with disabilities in the market and their employment. The regulations are in conformity with ratified UN Convention governing rights of disabled persons as well as in conformity with Millennium development goals, EU Disability Strategy 2010-2012, ILO recommendations on professional rehabilitation and employment of persons with disabilities etc. Much importance has the Law on professional rehabilitation and employment of persons with disabilities, including paying respect to various alternative measures in case when companies are not able to employ disabled persons. JUBMES banka pays full respect to such measures, having in mind that they encourage social attitude towards disabled persons.

Environment

Bank gives much importance to protection of environment as a part of socially responsible business i.e. to activities focused at integration of ecological principles into our strategic management and also into business operations.

Protection of environment and its improvement is an important problem of the modern society. Resolution of the ecological crisis, endangering the whole human civilization, is not searched for only in ecological protection, but also in development measures which will meet the needs of future generations. For this reason ecologic component is introduced into the companies' strategic management. Ability for this component integration is a characteristic which divides socially responsible companies from socially irresponsible ones. Due to introduction of this component in strategic management, companies are directed to manufacture certain kinds of products, to use certain resources and encouraged to save resources as much as possible.

Sustainable development means maintaining conditions for quality development, not only as material prerequisites for survival of our and future generations. Thus, sustainable development brings new vision of the global development, i.e. development for all people, pointing out new business strategies of companies as promoters of the new business concept having more rigorous ecological criteria.

On the occasion of the UN Conference on Environment and Development, held in Rio de Janeiro in 1992, few important documents were adopted, especially the Action plan designed for resolving environmental problems. The latest program - Agenda 21 was consisted of a number of mutually harmonized actions focused at sustainable (economic, social and ecologic) development.

According to Rio Declaration, environmental protection is the integral part of the development process. Environmental issues should be resolved in cooperation of all structures of society: public sector, business community and non-governmental sector. Conferences' key philosophy was: "Development in harmony with the environment and resources preservation serving to common economic progress".

Many global and regional initiatives, supporting the concept of development through observation of CSR principles, were based on the said declaration.

Apart from taking legally binding measures, companies are encouraged to implement additional programs and activities, exceeding the regulatory framework. Global Compact is the key institution for realisation of this concept, which was fully affirmed at the Rio+20 Conference held in June 2012. On Rio+20 Conference the following issues were analyzed: green economy, food safety and sustainable production, water for the whole world, sustainable energy for all, sustainable cities and societies resistant to natural catastrophes. In relation with the green economy it was concluded that "the green jobs" opened in agriculture, industry and other sectors, should help environment's preservation or renewal. They should also help preservation of the biological diversity, reduction of CO₂ emission as well as of all forms of waste and pollution. With respect to sustainable energy for all, an initiative was launched with aim of providing universal attitude to modern energetic services, efficiency improvement and larger use of sustainable energy sources.

Documents adopted at Rio+20 Conference together with obligations coming out of EU accession process, have great importance for the Republic of Serbia, having in mind that the transition process into the "green economy" requires coordination of inter-sector policies, creation of adequate institutional environment, regional cross-border cooperation, technologies transfer and development, additional financial resources especially related to support which public sector provides to the business sector.

Environment protection and rational use of national natural resources include integration and reconciliation of targets and measures of all sector policies, as well as harmonization of local regulations with EU legislation and their full implementation.

As an active member of the Global Compact and a participant of the Forum Rio+20 and Summit of the UN Global Compact Leaders, our special attention is directed at conclusions of these meetings which are related to the ecology component of the sustainable development. Green economy is one of the opportunities for financial sector's potential engagement. Responsible investment requires implementation of ecologic and social standards. Implementation of CSR principles within business operations of financial institutions produces change in their profiles, pointing them out as socially responsible entities, which include community development interest into their business goals. Business entities cannot individually create the sustainable development conditions. They should take participation in this process together, with other entities from the business, public and non-governmental sectors.

This is of priority importance for JUBMES banka, which is intermediary in financial realization of the international credit line for support of SMEs and local public utility companies. In accordance with the credit line's terms, each project's eligibility is to be appraised on the basis of project's environmental impact assessment. The terms also require strict observation of Serbian legal regulations, European standards related to project's environmental impact assessment as well as ISO standards 14001, with focus on projects to be realized in less developed Serbian regions.

With respect to the current phase of promotion of CSR principles and sustainable development, related to the environment protection, JUBMES banka continues with its progressive orientation, developed in conformity with the new integrated management system. With this aim JUBMES banka implemented ISO Standard 14001, participated in the work of the Global Compact network and developed cooperation with various interest groups, without neglecting internal and external dimensions of the principles implementation.

f) Global Compact Principle VII:

Companies should take precaution measures related to preservation of environment

Global Compact Principle IX:

Encouraging the development and diffusion of environmentally friendly technologies

The Bank adopted Environment Protection Policy with aim to pay special attention to its business activities environmental impact and to permanently improve its environmental protection management system in conformity with ISO Standard 14001:2008. By improvement of the integrated management system with respect to environmental protection, the advance in implementation of GC principles related to improvement of environmental preservation and quality is achieved.

By environmental protection the Bank has provided for:

- Monitoring and implementation of the legal regulations and good practice related to environmental protection;
- Identification of all environmental aspects with aim to prevent environmental pollution;
- Saving of natural resources and energy by using renewable and recycled resources;
- Development of adequate knowledge, with all employees, providers and external suppliers of services, on environmental impacts and regular procedure to be carried out with dangerous materials;
- Prevention of ecological incidents and organized activities in case of extraordinary circumstances;
- Providing permanent information on environmental protection system results to all interested parties.

The environmental protection policy general goals are as follows:

- Application of modern and ecologically clean technologies related to current maintenance;
- Natural resources and energy savings by reducing of harmful materials and harmful waste usage;
- Waste management through proper collection, storage and treatment of all kinds of waste;
- Permanent training with application of dangerous materials and temporary reaction to ecological catastrophes;
- Measuring and monitoring of environmental impacts;
- Interested parties are more satisfied, owing to SRB and mutual communication.

Having in mind these environmental policy components and permanent monitoring of improvement of ISO standards 14001 implementation, JUBMES banka has adopted a number of internal documents – rules and instructions, programs and plans in order to achieve goals of adopted policy and improve integrated quality management system. These activities include the following: defining climate conditioning regime and the use of Freon gas; recycling of used batteries; usage of facsimile machines, copy machines and printers, toners and cartridges; reduction in consumption of office paper and waste office paper management; altering technologically outdated and damaged electronic equipment and electric and electronic waste management; glass package, PET package and cans management and recycling; reducing consumption of drinking water; reducing electricity consumption as well as maintenance of lights and diesel aggregates; dangerous materials storing, power substation maintenance and prevention of transformer oil leaking; using of cars for official purposes, car

maintenance and care, tyre waste management; fire prevention, evacuation plan in the event of fire, earthquake etc.

By special Rules for waste management the waste is divided into dangerous and non dangerous waste. Non dangerous waste appears in everyday's work as: office paper waste, communal waste; glass packaging, PET plastic packaging; aluminium packaging – AL cans.

Waste elimination procedure is as follows:

1. Employees put office paper waste in special paper boxes situated in every office. Waste cans must not be filled with paper waste.
2. Communal waste (all kinds of waste from households and plastic glasses for coffee) will be put in waste cans situated in every office;
3. Glass, PET (plastic) and aluminium packaging is left in offices for the cleaning person, who will collect this waste.

Dangerous waste occurs by changing of cartridge, fluorescent tubes or bulbs and batteries. Such waste shall be eliminated by specially skilled persons.

g) Global Compact Principle VIII:

Companies should undertake initiatives to promote greater environmental responsibility

Striving hard to undertake activities focused at promotion of Global Compact principles, JUBMES banka in 2009, upon recommendation of the relevant Government department, established cooperation with "Uvac" - Special Nature Reserve d.o.o. Nova Varoš and "Beloglavi Sup" Birds of Prey Protection Fund.

Griffon vulture (*Gyps Fulvus*) is a rare species of the vulture eagle. In the past this species inhabited wide areas in west Serbia, but in the middle of the 20th century it deserted all local habitats due to industrialization process. However, owing to efforts of the "Uvac" - Special Nature Reserve and funds collected from local and foreign authorities and non-governmental organisations, reintroduction of the griffon vulture in this area became true. JUBMES banka took the responsibility to finance the fuel necessary for Reserve's vehicles which carry the slaughter waste to the vulture's feeding places.



Griffon vulture (*Gyps Fulvus*)

In the meantime, owing to efforts undertaken by volunteers and officers of "Uvac" - Special Nature Reserve as well as to assistance of various institutions and donors, Griffon vulture population has grown from 7 (in 1990) to 360 individual vultures or 85 nesting couples, meaning that the extinction threat has been significantly mitigated. This outstanding growth has helped "Uvac" - Special Nature Reserve to become the regional centre, enabling further re-colonisation and spreading of this species to other habitats in Serbia and Balkans.

Due to insufficient animal population (and animal corps as well) inhabiting the area, the vulture's feeding by slaughter house waste is still necessary. In previous years one European government has been supporting "Uvac" - Special Nature Reserve by its donations for the purpose of vulture feeding.

Apart from the Griffon vulture this area is also known for the only goosander (*Mergus Merganser*) nesting site in Serbia, as well as for around 100 various bird species, 11 fish species and over 200 plant species (flora taxa) proving the very rich area biodiversity.

In long-term the Reserve plans to reintroduce other species, which deserted the surrounding (lynx and two other eagle species). However, for this action the cooperation with governments willing to export these rare species to Serbia is needed, as well as huge financial support since the funds offered by the Reserve's donors are not sufficient for procurement of these animals from the other countries.



The Uvac River Gorge - Meanders

The Reserve is situated in the area of untouched vegetation of extraordinary beauty, widely known for the wonderful landscape created by the Uvac river, by cutting the deep meanders into the limestone massives of Zlatař and Javor mountains in west Serbia. The surrounding is rich in numerous examples of various karst formations including the longest cave system in Serbia.

Anti-corruption Combat

h) Global Compact Principle X:

Companies should work against corruption in all its forms, at all levels, including extortion and bribery

JUBMES banka has confirmed its leading position among active members of UN Global Compact Serbia, in implementation of the Global Compact 10th Principle.

Our proactive, progressive and innovative attitude towards implementation of Global Compact principles is undertaken with relation to all phases of Serbia's accession to European Union. This accession process is complex and developing on several levels. The first level is related to implementation of the stabilization and association process and the second level to accession negotiations. Accession negotiations include 35 chapters of *acquis communautaire*, preceded by the screening phase – the summary of legal regulations related to the 35 chapters.

Integration process' dynamics depends on results of the transition process (institutional and normative) i.e. on structural reforms, being the stabilization and association process requirement.

These reforms should result in creation of the healthy business environment, assisting the sustainable development and achievement of zero tolerance against all forms of corruptive behaviour.

Having in mind that harmonization of Serbian legislation in all fields is principal duty of the Republic of Serbia under the Stabilization Agreement, in certain moment chapters 23 and 24 should be specially elaborated (Chapter 23 – Jurisdiction and fundamental rights and Chapter 24 – Justice, freedom and security). In this sense, we are paying special attention to the issue of anti-corruption combat in the light of all activities within screening phase of positive legal regulations, in relation with the mentioned chapters. European Commission has affirmatively appraised activities of Serbian Government related to anti-corruption combat (especially in normative sphere), which are focused on achieving zero tolerance against all corruption forms. New National Anti-corruption Combat Strategy and Action Plan for 2013-2018 has been adopted fixing concrete measures and duties of entities from the public sphere focused at execution of Strategy's tasks and goals. The Strategy forms comprehensive and integral framework for creation of institutional and social environment, promoting zero tolerance against corruption in the society, including the business sector. Several legal regulations have also come into force providing normative prerequisites for realization of Strategy's goals and tasks, especially the new Public Procurement Law of the Republic of Serbia. The Law on Protection of Whistleblowers is currently being prepared by representatives of the Ministry of justice and public administration and the Anti-corruption Agency, Commissioner for information of public importance and personal data protection, court's and public prosecutor's representatives etc. During the screening the necessity of implementation of CSR fundamental principles including anti-corruption combat was specially pointed out as a prerequisite for realization of sustainable development, being one of the European integration goals.

UN Global Compact Serbia gives its significant contribution to realization of such business model and promotion of ethical business. Preparation of policies and corporate practice is also encouraged in the segment of CSR principles implementation, especially of 10th principle – anti-corruption combat. Members of UN Global Compact Serbia create and implement various actions having wider importance focused at anti-corruption combat, by encouraging partner relationship and cooperation with various entities from public and business sectors and civil society, but also with global and regional organizations, EU institutions and others, being one of Global Compact's program and action methods.

Anti-corruption working group and JUBMES banka as one of its most active members, have been engaged under preparation of the new National Anti-corruption Combat Strategy for the period 2013-

2018. The strategy is designed to support promotion of corporate good practice in anti-corruption combat. Companies are encouraged to adopt Business ethics code, Professional behaviour code as well as Anti-corruption Combat Declaration (creator – Global Compact Anti-corruption Working Group), with aim of creation of favourable business environment with respect to ethically responsible business.

In our opinion all activities undertaken in this segment by the UN Global Compact Serbia should help creation of globally acceptable framework for development and implementation of the socially responsible business. Apart from the exchange of ideas related to corporate practice and recommendations for improvement in sustainability sectors, these activities are an important impetus to responsible and healthy business. Global Compact has become the key partner of various entities from business and public sectors and of non-governmental organizations in creation of the new public-private partnership platform, which implements GC principles. This platform will help establishment of the new leadership among companies which implement sustainable development principles. It is very important that business entities incorporate into their business goals the new innovative business models, products and services which comprise CSR principles including anti-corruption combat principle.

We would like to point out our creative and innovative contribution to promotion of UN Global Compact 10th principle, giving us leader's position among business entities which promote principles of ethical and healthy business i.e. sustainable development principles. Such appraisal was adopted at many international meetings dedicated to this matter, held during 2012 and 2013 in organization of the UN Global Compact Serbia and UN Global Compact New York. In accordance with our integral, proactive, transparent attitude towards anti-corruption combat and in conformity with the new integrative management system, the Bank has decided to take participation in a number of international forums - meetings dedicated to sustainable development and especially implementation of the Global Compact 10th principle.

In this sense we may underline that JUBMES banka has implemented the unique Anti-corruption combat program. This program does not comprise only formal support of anti-corruption combat i.e. zero tolerance corruption, but requires concrete activities for implementation of documents related to anti-corruption combat. Our strategic and concrete orientation are integrity and ethics, observation of normative framework, promotion of values exceeding this framework being an outcome of CSR principles implementation, but also creation of new products which contain those values and ethic standards. This is the essence of our business ethics and improvement of banking integrity, dignity, objectivity, responsibility, credibility, efficiency, transparency etc.

The Anti-Corruption Combat Declaration is an important segment of the Program, created by the UN Global Compact Serbia. JUBMES banka was the first among the members of the UN Global Compact Serbia to sign this document and start with its implementation through a number of activities on internal plan. The Declaration is an important document for the Bank's position as a responsible business entity, improving activities related to socially responsible business, particularly to implementation of the 10th principle – anti-corruption combat. By signing this document, we have not expressed only our formal support of anti-corruption combat, but also our addiction for anti-corruption combat in all aspects, including bribery and blackmail. At the same time we promote transparency, cooperation between internal and external stakeholders, we emphasize the importance of cooperation-partnership with various local institutions from public sector and civil society and with international institutions, which are engaged in various activities – anti-corruption combat projects.

Apart from the Declaration, the Bank has also adopted Reporting Guidelines related to 10th principle, as an important meritorious source, which established the procedure for reporting on activities related to anti-corruption combat. Thereby the Bank stimulated the efficient implementation of all internal enactments regulating anti-corruption combat, as well as the adoption of the new enactments. All aforesaid is presented in our first Report on 10th principle implementation, being at the same time the first report to be presented to the Global Compact Serbia. The concrete activities and measures for

better application of the set of documents related to anti-corruption combat were specially pointed out in the Report, including the new integrated management quality policy, which was confirmed through implementation of ISO Standards 9001, 27001 and 14001.

In our opinion, these innovative solutions aimed at better reporting on activities and measures taken in anti-corruption combat as well as examples of good practices can give impetus to progress of the total anti-corruption activity in the business sector of Serbia and to development of environment which will encourage conducting of healthy business and rising of the new leadership among business entities tending to achieve zero tolerance to corruptive behaviour.

We would also like to point out that JUBMES banka adopted the Anti-corruption Combat and Conflict of Interests Code which is consisted of measures and activities for more efficient implementation of the Anti-corruption Combat Declaration i.e. implementation of item 11 of this document. The Code defines the following measures and activities: providing information and professional training for employees, regarding the anti-corruption combat issue, precise definition of responsibilities and duties for realization of the anti-corruption combat and reporting on program's execution.

By this document we confirm that we are dedicated to spread integrity culture and to keep Bank's enactments strictly in conformity with the legal regulations in force, including anti-corruption regulations, both local and international.

Rules for reputation risk identification, measuring, mitigation and monitoring are also a significant part of Bank's Anti-corruption Program. We are pointing out the fact that in 2014 the Bank adopted the new Code of Professional Banking behaviour, which finalizes a comprehensive Anti-corruption Program. The Code has synthesized ethical principles and professional banking rules with aim to maintain high level of standards reached. The Code brings provisions which even surpass the Serbian legal regulations related of banking principles, with aim of achieving high Bank's reputation on financial market, successful targets execution and growth of Bank's financial potential. The Code is binding upon all Bank employees.

The Code is consisted of several segments: Business Ethics (ethical norms governing employees' behaviour etc.), Professional Behaviour, and Corruption and Collision of Interests.

In the part concerning professional behaviour the Bank applies the Code of Professional Banking Behaviour issued by the Association of Banks of the Republic of Serbia. This document defines general principles and norms of professional banking behaviour for Bank's employees and their business relationship with clients. It enables Bank's clients to get acquainted with the minimal standards of the good banking practice.

The Code of Professional Banking Behaviour defines the following principles, binding Bank's employees:

- Bank's property and interests protection and client's property and interests protection are in the employees' focus;
- Observation of legal regulations (paying respect to the legal provisions in force, implementation of Bank's business policy and internal rules);
- Responsibility in operations (operating within the authorizations' limits, operating in Bank's best interest, avoiding personal motifs' impact i.e. avoiding all situations that could provoke conflict of interests, using of insiders' information and any kind of benefits etc);
- Keeping banking and business secrets;
- Politeness, i.e. diligent and correct attitude towards clients, colleagues and higher officers;
- Equal treatment of all clients;
- Providing clients with accurate and timely information regarding: required services, relevant regulations of the Law on Banks, Law on prevention of money laundering and terrorism

financing, Bank's General Terms and Conditions, Rules on Bank's approved products, together with paying respect to the Financial Services Consumer Protection Law;

- Healthy competition. In accordance with this principle the Bank is recognized in the market for its dedication to keep the healthy practice.

Bank's current enactments and rules define in details implementation of the principles.

The final segment of this paper is dedicated to corruption and interest collision.

The Law on Anti-corruption agency defines corruption as a relation based on abuse of authority or influence in public or in private sector, for the purpose of gaining individual benefit or benefit in favour of another person, being a serious criminal act. The Code is related to all activities of the Bank, since the Bank, as the active GC member has taken obligation to pay respect to the highest anti-corruption standards. In order to give its contribution to mitigation and minimization of the strategic and reputation risk, the Bank has the duty to pay special attention to all forms of corruption behaviour, their identification and prevention.

According to the Code of professional banking behaviour issued by the Association of Banks of the Republic of Serbia and the Bank's Code on anti-corruption combat and interest collision, corruption risks in the Bank may occur for revealing of professional banking secret, collision of employees' interests and Bank's business interest, private arrangements concluding, privileged information disclosing, unauthorized goods and services procurement and property disposal. For the aim of the corruption and interest collision risks minimizing, the employees are required:

- To pay respect to business secrecy rules;
- To protect Bank's and its clients property. Using Bank's devices, equipment and intellectual property for private purposes is forbidden;
- Not to publish insider's information or to disclose them to persons who may gain benefits thereby;
- Not to request, receive or accept any benefits and presents except symbolic i.e. cheap gifts (as calendars etc.);
- Not to sign private arrangements with Bank's clients;
- To arrange procurement of goods and services as well as their selling in conformity with Bank's authorizations, enactments and rules;
- To avoid situations possibly leading to collision of employees' interests and Bank's business interest. All employees are subject to this regulation, especially members of the Managing Board and Executive Board. They have the duty to pay special respect to the following principles:
 - Members of the Managing Board shall not be engaged in another private company being the Bank's competitor, except in case that they have been authorized by the Managing Board;
 - Members of the Managing and the Executive Board have the duty to keep Bank's interests in "bona fide" and loyal manner as well as not to use Bank's property in their personal interest, not to use their high position and access to information for the purpose of their personal enrichment or associated persons enrichment;
 - When approving loans, members of the Credit Committee and the Executive Board shall keep their personal interests separated from Bank's business interest, fully support realization of Bank's interests and observe legal provisions and rules in force.

Breach of the principles shall be, according to the Code, considered as violation of the labour duty and therefore sanctioned.

This document, finalizing Bank's Anti-corruption Program in synergy with the Corporate Management Code and Integrated management quality policy, sets frameworks to Bank's further progressive positioning in the field of socially responsible business conducting. Bank thereby confirms its business

and value orientation, which is based on respect of integrity and ethics, promotion of responsible business values, which exceed legal regulations, creation of new products which implement those values and ethic standards.

Apart from this, the Bank finds as very important: the permanent education of its employees on internal level or in cooperation with the Global Compact Serbia Working Group, permanent promotion of moral and ethical norms and taking permanent measures aimed at disclosure and prevention of all forms of corruption, etc. We would like to point out that in 2013 the Bank's representative took participation in TAIEX seminar "Corporate Anti-corruption" organized by the Chamber of Commerce of the Republic of Serbia and Ministry of Justice and Public Administration with technical assistance of the European Commission. Three topics related to anti-corruption combat in business sector were on agenda: authority abuse, whistleblowers' protection and integrity plans introduction.

The Bank's employees are regularly attending courses related to implementation of all Global Compact's principles, including the 10th principle, emphasizing the need of evolutionary attitude towards responsible ethical business concept.

All activities on UN Global Compact's 10th principle promotion affirm the Bank as a socially responsible entity which permanently improves its observation of ethical business values and creates conditions for reaching higher level of anti-corruption culture, thereby meeting the standards required by the national agenda for EU accession.



This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact.

We welcome feedback on its contents.

III Effects of activities focused at CSR (March 2013 - March 2014)

- JUBMES banka a.d. Beograd has been positioned as a socially responsible financial institution, which progressively, creatively and integrally implements principles of corporate social responsibility and sustainable development;
- Implementation of policies regarding information quality and safety, environmental protection and implementation of ISO standards 9001, 27001 and 14001 has encouraged adoption of a set of internal documents (rules, guidelines, codes etc) promoting responsible and healthy business principles i.e. transparent corporate management concept as well as improvement of all activities focused at responsible business promotion;
- Bank's CSR activities resulted in advanced phase of the principles implementation on both internal and external level i.e. management improvement in CSR segment, being an important part of integrated quality management system;
- Economic sustainability, social cohesion and ecological sustainability, being a sustainable development component, are also Bank's strategic goals, determining its business profile and value orientation.
- In the period March 2013 - March 2014 the Bank continued to actively implement Global Compact principles and sustainable development on international and national levels, since only by taking proactive partnership attitude we may confirm our opinion that responsible ethical business values are one of the key responds to global system and economic crisis.
- As a confirmation of the above said, the President of the Executive Board of JUBMES banka took participation in the UN Global Compact Leaders' Summit – Architects for the Better World" held in September 2013 in New York, which glorified corporate sustainability as one of the main directives for the business community in the forthcoming period, in light of UN Millennium Goals 2015.
- In accordance with potentials at our disposal, we continued to give our support to the UN Global Compact Foundation and accepted invitation of the UNGC Office and Secretariat of the UN Global Compact Serbia for giving financial aid to Philippines for the catastrophic typhoon which hit this country.
- We have continued to take active participation in activities within UN Global Compact Serbia. We would point out our engagements in the working Group for CSR in banking/financial sector (Banking Officer Project) and the Working Group for Anti-corruption Combat. (Upon initiative of the UN Global Compact Serbia, we took participation in the activities of the Conference dedicated to CSR principles reporting, especially on 10th principle – anti-corruption combat etc.);
- The Bank has also been engaged under financial execution of the credit line for development of small and medium enterprises and local public utilities which included social and ecological criteria as preconditions for the project's accepting. In line with project evaluation in conformity with the social and ecologic criteria, the Bank helps improvement of the clients' value orientation towards accepting the modern CSR concept, responsible business and sustainable development;
- Integrated quality management policy requires permanent advance of the human resources management policy. JUBMES banka is continuously encouraging its employees to attend various forms of education and professional training carried out in the Bank or organized by the National Bank of Serbia, Association of Banks of the Republic of Serbia, foreign banks, universities, institutes and other scientific and specialized institutions from Serbia and abroad.

Bank's employees have attended seminars and courses dedicated to development of traditional and innovative banking products, e-banking, information technologies safety, implementation of ISO standards 9001, 14001 and 27001, payment operations in EU countries, SEPA payment system, innovative technologies and mobile banking, FATCA project for reporting to US tax authorities, creation of loyal clients system etc. Apart from this, special attention was paid to courses dedicated to CSR principles (protection of human rights, labour standards, protection at work, anti-corruption combat, ecological standards), as well as to the importance of compliance activity in banks etc.;

- Free systematic medical examination and medical experts' service under preferable conditions were provided to all Bank's employees and their family members;
- The Bank has continued to actively promote principles of social responsible business through providing donations to humanitarian organizations, elite and amateur sports organizations, Paralympic Committee of Serbia, educational and cultural institutions, institutions of public and civil society;
- Sustainable development's cultural dimension means preservation of cultural diversity and identity, with strengthening the cohesion of the society. With this respect we have supported activities of various institutions – organizations from both public and civil sectors, especially activities directed at cultural heritage protection and preservation of cultural diversity and national cultural identity ("Ćirilica" Association, Andrić Institute in Višegrad etc);
- The Bank has supported activities and projects for affirmation of democratic, open and inclusive society i.e. activities of non-profitable organizations focused at medical treatment of children and young persons, since positive effects of the sustainable development may be appreciated in long terms only if the healthy population has been raised;
- As a founder and a major donor of the "Childs Heart" Humanitarian Foundation, the Bank has been traditionally supporting its activities. We have also supported activities of the National association of parents of children with cancer – construction and provision of furniture for the Parental home in Belgrade for accommodation of children on treatment for cancer and their families from Serbia;
- The Bank supported the project for construction of daily stay for children disturbed in development in less developed municipality of Sečanj as well as the work of "Dunav" Paraplegic and Quadriplegic Association, Beograd. The Bank thereby continued to encourage integration of this part of population into the community (social cohesion – the second pillar of the sustainable development);
- The Bank traditionally supports activities of the "Uvac" - Special Nature Reserve d.o.o. Nova Varoš by financing the fuel necessary for Reserve's vehicles which carry the slaughter waste to the vulture's feeding places.
- We also continued to improve implementation of the ISO 14001 standards, by adopting rules and guidelines related to environmental protection i.e. to improvement of management in the field of implementation of the environmental protection principles, being an important sustainable development pillar (ecological sustainability).
- The Bank continued to develop activities focused at implementation of the UN Global Compact 10th principle – anti-corruption combat.

As the first Global Compact Serbia member to sign the Anti-Corruption Combat Declaration and to present the Report on implementation of the 10th principle, we continued to improve our Anti-corruption Program, which was appraised as our innovative and creative contribution to implementation of the Global Compact's 10th principle. In the previous year we have adopted the new Professional Behaviour

Code, being a top document, encircling the Bank's Anti-Corruption Program. Having in mind the aforesaid, we can state that JUBMES banka continues to be the leader in anti-corruption combat, dedicated to establish healthy ethical business environment.

Finally, we can say that our advanced phase of implementation of UN Global Compact principles is characterized by our recognizable and competitive position on national and regional banking/financing markets, transparent wide range of modern products and services, primarily focused at corporate banking, long-term strategic value orientation towards CSR principles and sustainable development, promotion of healthy business culture among internal and external interested groups, support to activities and initiatives of the UN Global Compact network on national and international levels, progressive application of international standards in banking operations etc.

IV Future orientation and plans with aim of further promotion of corporative social responsibility principles

- JUBMES banka has affirmed its mid-term and long-term market position, being sustainable, competitive and respectable both in local and regional banking/financial sectors by rendering wide range of modern products and services aimed to our heterogeneous customer base. Our position is assured by permanent improvement of the integrated quality management system, accompanied by ISO standards 9001, 14001 and 27001. The standards implementation generates the need for further improvement of CSR management as well as for widening of the range of products/services which include principles of CSR and sustainable development;
- In respect with the advanced phase in implementation of socially responsible business and sustainable development values, JUBMES banka will plan its further CSR activities in conformity with its strategic guidelines set by the integrated quality management system, which include integral and progressive application of fundamental principles of socially responsible business related to human rights, working standards, environmental protection and anti-corruption combat.
- According to our strategic orientation, we do not comprehend corporate social responsibility only as the relation of business entities and the environment, but as full commitment to sustainable development, through cooperation with employees, local community and entire society with aim of improving life quality on long-term basis. This task requires permanent improvement of internal and external activities, rules and practice in implementation of Global compact principles, cooperation and partnership with various public and business entities and civil society (especially with non-profitable organizations).
- Integrated quality management system and implementation of the international ISO standards (9001, 14001 and 27001) in dialectical connection with CSR principles, are determinants of our progressive attitude towards SRB principles and innovative attitude to their implementation as well as of the Bank's new competitive market position merited due to implementation of CSR and sustainable development principles i.e. gaining the new quality leadership among entities from local and regional banking sectors.
- Having the affirmative attitude towards the strategic concept of responsible business and sustainable development, in the forthcoming period JUBMES banka will actively and transparently carry out activities related to implementation and improvement of all Global Compact principles, together with various interested groups from business and public sectors and the civil society.
- Advance made in implementation of the UN Global Compact fundamental principles related to human rights, labour standards, environment and anti-corruption combat, accompanied by transparent presentation of activities undertaken for the principles realization, will affect further advance in SRB reporting policy which reflects all Bank's activities. In our opinion SRB reports or non-financial reports will become an important element of entire activities of entities from financial and real sectors, which adopted Global Compact's principles.
- In accordance with its strategic orientation and potentials, the Bank shall continue to support various activities, initiatives and projects initiated by the UN Global Compact national, regional and global networks, especially activities for realization of the developmental goals stated in the Millennium Agenda. Having in mind the strategic importance of the sustainable development concept, we shall support initiatives, projects activities and partnerships, especially with entities from the non-profitable sector, focused at realization of democratic inclusive open society, ethical business promotion, integral application of human rights corpus, improvement of the

environmental protection, health improvement and better medical treatment conditions especially with young population, protection of material and non-material heritage, promotion of the national cultural identity through democratic dialogue with other cultures etc.

- Since JUBMES banka appreciates the strategic advantages of the CSR policy and socially responsible practice in context of taking competitive and socially responsible position in financial market, it will continue to improve implementation of Global Compact principles and support the integral development.
- In conformity with its orientation and being a recognized representative of the Serbian banking/financial community, JUBMES banka undertook activities for the realization of the development and strategic goals of the Republic of Serbia which include EU accession process and also became a partner in implementation of the new platform of Global Compact and other UN international development institutions and agencies which support the role of business sector in realization of harmonic sustainable development as the new universal value.

Slobodan Janjić, president of the Executive Board

Velibor Tatić, member of the Executive Board